



July 26, 2006

The Honorable Jose Esteves
Mayor of the City of Milpitas
455 East Calaveras Boulevard
Milpitas, CA 95035

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Subject: Notice of Endorsement — Proposition 1E: AB 140 (Núñez) Disaster
Preparedness and Flood Prevention Act of 2006 and Proposition 84: Safe
Drinking Water, Water Quality and Supply, Flood Control, River and Coastal
Protection Bond Act of 2006

Dear Mayor Esteves:

I am pleased to inform you that the Santa Clara Valley Water District (District) Board of Directors has endorsed Proposition 1E and Proposition 84 that will authorize the issuance of \$4.09 billion and \$5.4 billion, respectively, in general obligation bonds to fund important flood prevention and water projects if approved by voters in November. Both bonds are a proactive approach to providing sustainable water supply and flood protection infrastructure and have significant benefits to the Santa Clara County. The bonds will allow a number of local agencies including the District, to resume projects that had halted during the state budget deficits of 2004-05.

The District is the comprehensive water resource manager for Santa Clara County providing wholesale water, flood protection and environmental stewardship for the County's more than 800 miles of creeks and streams. We currently have more than \$32 million in outstanding claims for projects authorized under the Flood Control Subventions Program. Proposition 1E also provides \$290 million for protection, creation, and enhancement of flood protection corridors and bypasses. This is critical to residents and business owners in Santa Clara County because it allows our agency to continue purchasing property for new flood protection improvements. It will also provide funding for flood hazard mapping that will assist in the land use planning efforts of our cities.

Projects that will benefit from the \$500 million flood subventions funding in Proposition 1E and \$180 million in Proposition 84 include flood protection improvements along the Guadalupe River, Llagas Creek, Lower Silver Creek and Coyote and Berryessa Creeks. These projects will not only protect lives and property, they will also provide important ecosystem benefits and recreational amenities for local communities.

As an investment in our future, Proposition 1E will also allocate \$300 million for stormwater flood management projects located outside of the Central Valley. Local County projects that could be eligible would be stormwater detention basins for the cities to reduce flooding into the



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creek, stormwater outlet repair work and stormwater treatment systems to improve stormwater quality.

Proposition 1E includes \$3 billion for levee rehabilitation and flood protection projects in the Central Valley and the Delta which will dramatically contribute to reducing the state's exposure to flood disasters and to safeguarding Delta water supplies. Nearly half of the County's water is imported from the Delta. Therefore, any funding earmarked for the Delta has indirect benefits to the County. Similarly, of specific interest to the County, Proposition 84 includes \$130 million for projects to improve Delta water quality and \$275 million to reduce the potential for Delta levee failures.

Additionally, Proposition 84 includes parks and recreational opportunities including, but not limited to, \$400 million for state grants through a competitive process for local and regional parks and \$90 million for urban green parks that reduce energy consumption and improve air and water quality. Santa Clara County could benefit from the sustainable community and climate change reduction provisions of the bond.

Again, the District Board of Directors supports both Proposition 1E and Proposition 84. These bonds offer a comprehensive, broad-based approach to address critical issues of water quality, supply reliability, levee stability and strengthening flood protection.

Attached are some supporting documents which demonstrate the various benefits of the bonds specifically to the County. If you have further questions regarding the bonds, please feel free to contact Rick Callender, Government Relations Manager, at (408) 265-2607, extension 2017, or rcallender@valleywater.org.

Sincerely,



Larry Wilson
Chair/Board of Directors

Attachment

cc: Board of Directors (7)
lw:ck :mf
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Proposition 84: Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006

The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Prop.84) is a statewide ballot measure authorizing \$5.4 billion in general obligation bonds to fund critically needed improvements and programs to ensure safe drinking water, local water supply reliability, flood protection, and preservation of California's natural landscapes, including parks, forest, lakes, rivers, beaches, bays, ocean and coastline.

Prop. 84 has funding categories of specific interest to the Santa Clara County including:

Safe Drinking and Water Quality Projects
\$1 billion for an integrated regional water management program, of which \$138 million would be reserved for projects in the San Francisco Bay hydrologic region and \$52 million would be reserved for projects in the Central Coast hydrologic region
\$130 million for projects to improve Delta water quality
\$60 million for projects to prevent or clean up groundwater pollution
Flood Control
\$180 million for the Flood Control Subventions Program
\$275 million to reduce the potential for Delta levee failures
Statewide Water Planning and Design
\$65 million for statewide water planning and design, including the completion of CALFED surface storage studies
Protection of Rivers, Lakes and Streams
\$180 million for Bay-Delta and coastal fishery restoration projects, including \$20 million for development of a natural community conservation plan (NCCP) for the CALFED Bay-Delta Program
\$90 million for stormwater pollution reduction projects
\$90 million for grants and incentives to encourage development of local and regional land use plans that conserve water and other resources
\$54 million for repayment of money owed by the State to the State Water Project (SWP) for recreation at SWP facilities
Wildlife and Forest Conservation
\$90 million for preparation of Natural Community Conservation Plans
Parks and Nature Centers
\$400 million for State Parks
\$100 million for Nature Education Centers, Museums and Aquariums

Other facts regarding Prop. 84 include:

- A broad coalition of interests – water districts, conservation and environmental groups, local government entities, museum and park interests, elected officials, and civic organizations – has been formed to support the bond.
- All of California will benefit from these funds, as programs with local, regional and statewide benefit can compete for funding. This initiative, unlike other bonds, specifically dedicates a portion of funding to each primary watershed throughout California.
- The bond has \$1 billion dedicated to develop new local supplies of water. Local water districts will be able to decide how to best improve their water supply reliability and water quality.

- During the next 50 years, there is a two-in-three chance that an earthquake or a storm will damage California's 6,000 miles of vulnerable levees and cause a destruction of the kind that engulfed New Orleans in 2005. Twenty-three million Californians could be left without reliable drinking water, and lives and homes could be lost. Prop. 84 will strengthen flood protections to avoid these kinds of devastating disasters by funding the identification and mapping of areas most at risk of flooding and the inspection and repair of levees and flood control facilities.
- The bond does not raise taxes. It will be paid back through existing resources in the State's General Fund, not through new taxes.

Proposition 1E: Disaster Preparedness and Flood Prevention Act of 2006

The Disaster Preparedness and Flood Prevention Act of 2006 will authorize the issuance of \$4.09 billion in general obligation bonds, with the proceeds of the bonds to be allocated as follows:

- \$500 million for the Flood Control Subventions Program;
- \$300 million for stormwater flood management projects located outside the Central Valley;
- \$290 million for flood plain mapping and for the protection, creation and enhancement of flood protection corridors and bypasses;
- \$3 billion for flood protection and levee rehabilitation projects in the Central Valley and Delta.

Prop. 1E has funding categories of specific interest to the Santa Clara County including:

- \$500 million for the Flood Control Subventions Program will help reimburse the Santa Clara Valley Water District for outstanding claims of more than \$32 million. Santa Clara County would receive approximately \$125 million: Coyote/Berryessa Creek - \$12.5 million; Guadalupe River - \$26 million; Lower Llagas - \$200,000; Lower Silver Creek - \$22.3 million; San Francisquito Creek - \$5 million; Upper Guadalupe - \$36.5 million; Upper Llagas - \$22.6 million.
- \$290 million for flood plain mapping and flood protection corridors and bypasses to assist in local land use planning and for the purchase of easements to protect homes and businesses from flooding.
- \$300 million for stormwater flood management projects will be available for Santa Clara County local projects through grants that will improve and protect stormwater quality.
- \$3 billion for flood protection and levee rehabilitation projects in the Delta will provide sustainable water supply which comprises 50% of the Santa Clara Valley Water District's water source.